

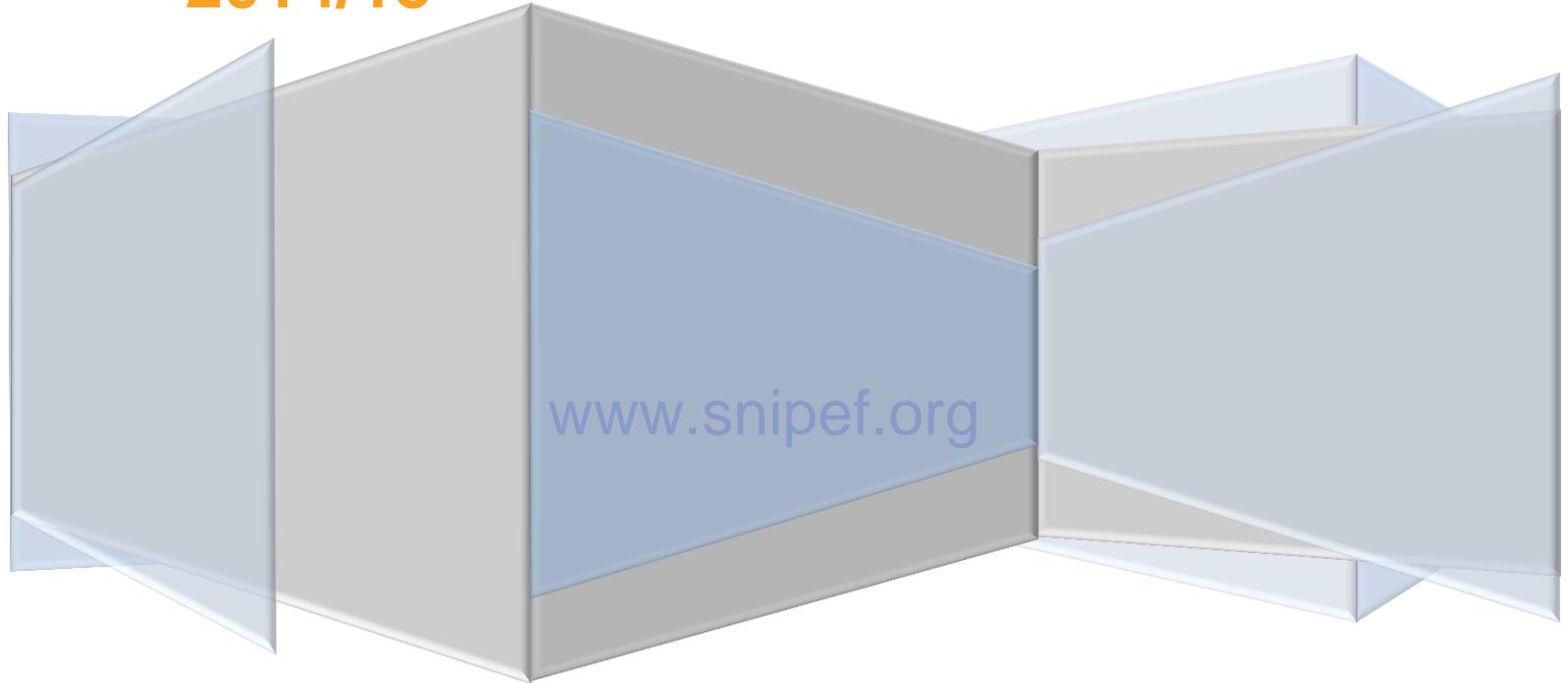


# SNIPEF

SCOTTISH AND NORTHERN IRELAND  
PLUMBING EMPLOYERS' FEDERATION

# Annual Report

2014/15



[www.snipef.org](http://www.snipef.org)

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## FOREWORD

Although the recovery which has seen better trading conditions for many firms is by no means universal, it does appear that construction activity in Scotland has generally improved and there are reports of a shortage of good quality labour for some contracts. In spite of these improvements, a survey of members in late 2014 showed that almost 80% of the

firms responding had either the same workload or less than they had at the start of the recession in 2008. The economic situation in Northern Ireland remains difficult for many member firms.

Following a staff reorganisation in the first half of 2014, SNIPEF has benefited from the work now being carried out by new members of the team, Ruth Gibb (Communications Officer), Andy Furnevel (Membership Officer) and Shirley Williamson (Technical Officer).

2014 saw a net increase in SNIPEF membership with a healthy number joining the organisation and a smaller number leaving membership than has been the case in recent years. This improvement is, in part, the result of the work of the Membership Officer whose role includes visiting both prospective and existing members to explain the benefits of membership.

All membership organisations rely heavily on engagement with members and SNIPEF is currently reviewing all of the ways in which its members can engage so that we can better reflect the views and needs of our member firms. While traditional meetings have a role to play, it is also believed that there are other methods that might be used to allow a wider range of members to participate.

We look forward to increased involvement with our member firms in the year ahead.

***Robert Burgon***  
***Chief Executive***

## INTRODUCTION

My year as SNIPEF President is very nearly at a close and it has been both a challenging and rewarding one. To be appointed national President at such a time of change for both the industry and the Federation has given me ample cause to reflect upon the impact of such change on us as business people operating in a demanding and financially difficult environment.

When I took office I felt positive about the signs of economic recovery that were beginning to emerge. One of these signs came in the form of a warning that we may experience a skills shortage when work levels increased because firms had been reluctant to take on apprentices while times were lean. In my inaugural speech I described a need for us all to do more to recruit and train skilled operatives. Although I end the year with the same plea to my fellow business owners, I am also delighted that in this annual report we can confirm an increase of some 12% in the 2014/15 intake. And a further increase of 10% is expected this year.

This is a significant step in terms of industry confidence. It reflects the fact that many firms recognise the need to plan for the future and to invest in their team although it still means that we are well short of the numbers of apprentices being trained prior to the recession. I wish my successor well in overseeing the continuation of this trend.

Finally, I would like to extend my thanks to the SNIPEF Office-bearers and to Council colleagues who have supported me during my year in office.



*Alwyn Webster*

*National President 2014/15*

# 1. MEMBERSHIP AND SERVICES

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I joined SNIPEF in 1995 and have been a member of the Senior Team with responsibility for the Finance, Administration and IT functions. During 2014 SNIPEF undertook a review of staffing and as a result my role was expanded to include Membership and Services. Ruth Gibb was appointed as Communications Officer, Shirley Williamson was appointed as Technical Officer and Andy Furnevel as Membership Officer. We believe that these appointments strengthen the SNIPEF team and add value to our members' businesses by extending the range and quality of services we provide.

Our focus over the last 12 months has been to review what we do as an organisation and how we communicate with our strongest asset – our members. Andy has been out meeting existing and prospective member firms and has been present in various merchants' premises promoting the benefits of membership. Ruth has been instrumental in identifying how we can communicate better with our members and promote the SNIPEF brand. Shirley, a qualified plumber and lecturer, is not only available to provide technical advice but has also developed both the number and types of training courses we offer to members. The membership team provide information on the various membership benefits to firms on a daily basis and as a result we have seen many of our schemes grow.

***Fiona Hodgson***

***Head of Membership and Finance***

## 1.1 Membership figures

Between April 2014 and April 2015 our Membership Officer visited 153 member firms and 101 non-member firms. We followed up these visits with requested information in 139 cases.

- ④ We welcomed 60 new members during the 12 months to 31 March 2015 and have since welcomed a further 8 new members.
- ④ The highest number of new members came from Glasgow region with 17 new members but Inverness saw a higher than normal intake with 10 new members.
- ④ There were 72 applications for membership received, 46% were a direct result of a visit from our Membership Officer.
- ④ A total of 673 members are licensed.
- ④ Of those visited, 75% wanted more information about the Approved Certifier of Construction scheme.
- ④ Of new members, 81% cited advice from professional staff as a reason for joining.

- ④ Of members who left us, 43% stated retirement or ceasing to trade as the reason.

## 1.2 Benefits and member services

SNIPEF has developed bespoke products and negotiated some excellent rates to provide members with access to top quality services, designed to support their business. Over the past year we have developed many of our schemes.

- ④ Insurance Schemes – our Employers' Public and Products Liability Insurance scheme has been operated by Willis since 2004 and is amongst the best used of all the SNIPEF members services. Willis also provide access to various other insurance covers and this was extended to include Professional Indemnity insurance for businesses proposing to use the Legionella Risk Assessment and Disinfection Scheme.
- ④ Holiday with Pay & Sickness Schemes – expanded to include added benefits to both employers and employees by offering Personal Accident Cover and 'free' sickness benefit payments to Directors of businesses at enhanced rates.
- ④ Private Medical Insurance – with BUPA at significantly reduced rates; most members actually saw a reduction in their premium during 2014/2015.
- ④ SNIPEF Workwear – ThinRedLine Products provide a full range of competitively priced and branded workwear to members.
- ④ Duradiamond - discounted re-tipping and drill bits. Members can access the special rates via our website.
- ④ Kane International – discounted rates when purchasing or re-calibrating flue gas analysers.

We are always updating and developing our services and we have negotiated new partnership deals for 2015.

- ④ Vehicle purchase – up to 40% discount on new commercial vehicles with 4 years warranty and road-side assistance through various Renault dealerships.
- ④ Fleet management – state of the art real time fleet management and vehicle tracking solutions from VTec Solutions, the leading UK provider.
- ④ Vehicle signage – graphics and van wrapping at competitive prices supplied by Ecosse Signs.

During the year we have met with a number of the leading merchants and our Membership Officer has been visiting their trade counters throughout Scotland and Northern Ireland promoting SNIPEF. We have also secured a special arrangement with Grahams whereby members can pay their SNIPEF Annual Subscription using the Grahams Merchant Plumbers' Coins Scheme.

### 1.3 Advice services

Our in-house expert, Stephanie Lowe, offered **industrial relations** advice to all members on issues including updates on:

- ④ National Working Rules
- ④ Employment law and how to manage employment issues
- ④ Calculating contractual and statutory holiday pay
- ④ National minimum wage
- ④ Day work rates
- ④ Wages rates and allowances for plumbing operatives and apprentices
- ④ Employer surveys /consultations on wages and other industrial relations issues
- ④ National insurance changes.

And we provide one-to-one advice and on-going support to firms on:

- ④ Temporary lay-off and redundancy
- ④ Short and long term sickness absence
- ④ Holiday pay
- ④ Performance management
- ④ Disciplinary/ misconduct/ dismissal
- ④ Terms and conditions
- ④ Travel and lodgings for employees.

We circulated **technical updates** to all members on:

- ④ Water Byelaws 2014
- ④ Contract Design and Management Regulations 2015
- ④ Energy Performance Labelling
- ④ Procurement matters
- ④ Consumer Contracts Regulations 2013
- ④ Best practice advice for VAT on estimates.

And we assisted member firms directly with a wide range of **technical** queries such as:

- ④ Below ground drainage
- ④ Work requiring building warrants
- ④ Green Deal
- ④ Renewable Heat Incentive
- ④ Integration of appliances
- ④ Pipework requirements for legionella prevention
- ④ Lead work
- ④ Pipe sizing/flow rates
- ④ Debt recovery

- 🔧 Plumbing requirements for temporary structures
- 🔧 Legality of certain copper cylinders
- 🔧 Sterilising pipework
- 🔧 Requirements for Home Reports
- 🔧 Independent inspection of faulty work.

## 1.4 Consultation, communication and partnership

In 2014/15 we asked our members to tell us what they thought about:

- 🔧 SNIPEF Membership
- 🔧 Engagement at a local level
- 🔧 Public Liability/employer liability insurance schemes
- 🔧 The SNIJIB Wage agreement
- 🔧 WaterSafe scheme awareness.

We supported the following campaigns:

- 🔧 World Plumbing Day – World Plumbing Council
- 🔧 Gas Safety Week – Gas Safe
- 🔧 Carbon Monoxide Awareness Week- Carbon Monoxide Awareness
- 🔧 Be Asbestos Aware - HSE
- 🔧 My World of Work - Skills Development Scotland
- 🔧 The Benefits of Heating Controls - BEAMA
- 🔧 Protecting retentions in construction contracts – SEC Group.

We worked with partners and stakeholders on a variety of projects and issues, from supporting our local school to working with industry leaders to ensure standards in the trade:

- |                                    |   |
|------------------------------------|---|
| 🔧 ADLP Solicitors                  | 🔧 Grahams Merchants                               |
| 🔧 APHC                             | 🔧 Kane International Ltd                          |
| 🔧 BEAMA                            | 🔧 LABSS   |
| 🔧 B&ES                             | 🔧 Northern Ireland Water                          |
| 🔧 BPEC                             | 🔧 NICEIC  |
| 🔧 Building Merchants Federation    | 🔧 PHCA  |
| 🔧 Construction Licensing Executive | 🔧 Plumb Center                                    |
| 🔧 CIBSE                            | 🔧 Plumbing Pensions                               |
| 🔧 CIPHE                            | 🔧 Plumbing Trade Supplies                         |
| 🔧 City Plumbing                    | 🔧 Professor Mala Rao                              |
| 🔧 Duradiamond                      | 🔧 Renault   |
| 🔧 Drummond Community High School   | 🔧 Royal Institute for Public Health               |
| 🔧 Ecosse Signs                     | 🔧 Scott & Co                                      |
| 🔧 Energy Saving Trust              | 🔧 Scottish Government Building Standards Division |
| 🔧 Gas Safe Register                | 🔧 Scottish Water                                  |
|                                    | 🔧 SEC Group                                       |

- SELECT
- Skills Development Scotland
- SummitSkills
- ThinRedLine Products
- Tradepoint
- Trading Standards
- VTec Solutions
- WaterSafe
- World Plumbing Council
- Worshipful Company of Plumbers
- Willis

## 2. CERTIFICATION

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### 2.1 Approved Certifier of Construction Scheme

- In 2014/15 we approved 36 new Certifiers of Construction.
- We now have 93 Approved Bodies and 118 Approved Certifiers.
- We ran five Building Standards Courses.
- We underwent a successful audit with Scottish Government
- We took part in both the ACCS scheme strategy forum and the marketing and communication strategy group.
- We started to look at how the scheme might be extended to Northern Ireland.
- We took part in three roadshow events.

### 2.2 WaterSafe Scheme

- 381 members are registered with WaterSafe.

### 2.3 Legionella Risk Assessment and Disinfection

- We ran our first BPEC training course in April for 10 members.
- A total of 19 contractors completed the BPEC training course delivered by SNIPEF and now operate across Scotland and Northern Ireland.
- We have 2 courses planned for the coming months.

### 2.4 Other training and development

- We ran two Water Byelaws courses attended by 16 members.

### 2.5 MCS

- We continue to help members become MCS accredited through our partnership with Certsure.

## 3. TRAINING

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SNIPEF Training Services Ltd, the plumbing 'Industry Training Provider' continued to manage and oversee apprenticeship training in Scotland on behalf of employers. Levels of apprentice recruitment have been in recovery since 2013. We are encouraged by the significant increase in recruits in 2014 of 12%; although it will take some years to get back to the average annual intake of 470 apprentices that the industry enjoyed a decade ago, this can be viewed as a positive step towards addressing a potential skills shortage.

SNIPEF has campaigned with industry partners for an increase in funding from Skills Development Scotland for off-the-job training and to support the monitoring structure we operate. Skills Development Scotland has agreed to increases and we look forward to these being implemented over the next 5 years. These modest increases will particularly help support adult entrants (20+), who many employers favour yet who require additional financing by the employer. We are committed to exploring as many alternative funding routes as is possible to support apprentice and other types of training.

As part of the review of the Modern Apprenticeship in Plumbing, employers have been consulted through SummitSkills workshops, an on-line survey and a consultation event held in Perth on 29 April 2015. This consultation aims to ensure that the MA Plumbing Framework continues to meet the needs of employers in delivering time served apprentices who have the necessary core skills to become competent plumbing operatives. We encourage members and employers to take the important opportunity to engage directly with SummitSkills, which is the industry's Standards Setting Organisation through consultation events and surveys.

***Duncan Wilson***

***Deputy Chief Executive***

### 3.1 Apprentices

- 211 people completed a Modern Apprenticeship in Plumbing in 2014 compared with 180 in 2013, an increase of 17%.
- 280 apprentices were recruited for the 2014 intake.
- This signifies an increase of 12% on the previous year's figure.
- Funding supported approximately 170 apprentices in completing the new Emergent Technologies Combined Unit as an additional third year option.

### 3.2 The Modern Apprenticeship/ SVQ 3 Plumbing

- ④ We participated in a review of the National Occupational Standards as they relate to the SVQ 3 Level 3 in plumbing (Modern Apprenticeship)
- ④ We have been a key player in reviewing the current Assessment Strategy and qualification structure which has been submitted to and approved by SQA Accreditation.
- ④ The review confirmed the Plumbing SVQ qualification as a level 7 (SCQF) qualification.

## 4. WAGES AND CONDITIONS

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As is normal practice, SNIPEF consulted with members, through an on-line survey as well as the through each Local Association and Branch on the shape and content of the 2015 Wage agreement. SNIPEF negotiated with UNITE the Union and agreed an increase in the graded rates of pay and allowances of 2.5% to be applied from 7 July 2015 and a further 2% to be applied from 4 July 2016. The SNIPEF negotiators take their responsibilities seriously in delivering realistic and affordable pay agreements which reflect the majority views of employers.

SNIPEF continues to promote the benefits of the collective agreement between Unite and SNIPEF in delivering National Working Rules and Pay Agreements which offer certainty and stability to employers and the industry as a whole. Without the benefits of the collective agreement employers would be left much more open to the vagaries of the market.

## 5. FINANCIAL REVIEW

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The financial statement relates to SNIPEF Management Ltd, the management company of SNIPEF. The Company reported a profit on ordinary activities before tax of £11,538 (2013 – loss of £30,406).

### 5.1 Income

Income rose by £28k in 2014. This was largely the result of an increase in income from annual subscriptions and other fees as follows:

- 3% increase in the basic subscription
- increase in membership to 746 (2013: 735)
- increase in demand for courses and facility to accommodate this.

INCOME	2014	2013
	£	£
SNIPEF annual subscriptions	396,146	380,573
Other fees	32,138	24,992
Commission	16,838	18,901
Salary recharges	139,438	121,069
Management fees	141,061	152,204
Service charges	52,484	52,164
Dividends	118,750	153,812
Investment income	4,984	6,076
<b>Total income</b>	<b>901,839</b>	<b>909,791</b>

### 5.2 Expenditure

Expenditure for the year fell by £49,896 from £940,197 in 2013 to £890,301 in 2014. SNIPEF continually monitors its expenditure and as a result of several measures, general overheads reduced by just over £13k and travel and meeting costs by £13k. Promotional activity was reviewed to establish how effective it was and much of this was put on hold with the main focus being the website. Costs in this area reduced

by £10,813 and the various timings of staff changes during the year produced further savings of £8k.

EXPENDITURE	2014	2013
	£	£
Staff costs	519,459	527,030
Membership costs	69,742	70,129
Meeting costs	48,022	61,328
Maintenance & HP	28,601	27,723
Professional fees	30,251	32,566
Promotional & guarantee of work	11,848	22,661
General overheads	181,860	195,274
Other costs	518	3,486
<b>Total expenditure</b>	<b>890,301</b>	<b>940,197</b>

### 5.3 Balance sheet

Net Assets at 31 December 2014 were £1,797,735 (2013: £1,786,735). Cash totalled £885,896 (2013: £859,656) and is held across a range of current, deposit and fixed term accounts with approved counterparties. The office property has a Net Book Value of £895,000 (2013: £914,884).

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SNIPEF Management Ltd, Bellevue House, 22 Hopetoun Street, Edinburgh EH7 4GH (t: 0131 556 0600; e: [info@snipef.org](mailto:info@snipef.org)). Registered Number: 56633